

GAO

Report to the Chairman, Subcommittee
on Energy and Water Development,
Committee on Appropriations, House of
Representatives

April 1997

DEPARTMENT OF ENERGY

Funding and Workforce Reduced, but Spending Remains Stable



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**Resources, Community, and
Economic Development Division**

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April 24, 1997

The Honorable Joseph M. McDade
Chairman, Subcommittee on Energy
and Water Development
Committee on Appropriations
House of Representatives

Dear Mr. Chairman:

In fiscal year 1996, the Department of Energy (DOE) had a \$17.4 billion budget and a federal and a contractor workforce totaling 127,850 workers. Like many other agencies, DOE has been reducing its budget and workforce.¹

In a February 1996 report, we presented a baseline of DOE's fiscal year 1994 financial and workforce data against which changes in the agency can be measured.² Using that baseline, this report identifies changes in DOE's funding, spending (costs), federal workforce, and contractor workforce between fiscal years 1994 and 1996. The attached appendixes provide the details on these changes.

Results in Brief

Overall funding, spending, and workforce reductions occurred from fiscal years 1994 to 1996. However, budget cuts did not result in commensurate reductions in spending. DOE spent almost the same in fiscal year 1996 as it did in 1994. While congressional funding decreased, from \$19.5 billion to \$17.4 billion (or 11 percent) between those years, spending only decreased from \$20.4 billion to \$19.9 billion (or slightly over 2 percent). DOE was directed by the Congress to use its carryover balances of unspent funds from prior years.³ Thus, it has recently been able to spend more than provided by its annual funding. Furthermore, use of these carryover balances has resulted in DOE's receiving less new funding during the last several years.

¹Federal workers are reported by DOE as full-time equivalents (FTE)—a personnel term that represents the number of hours worked divided by the number of compensable hours in a fiscal year. Contractor workers are reported to DOE in various measures including FTEs, year-end employment, and average employment levels.

²[Energy's Financial Resources and Workforce \(GAO/RCED-96-69R, Feb. 28, 1996\)](#).

³DOE's carryover balances are the funds remaining from the obligational authority that the Congress provided DOE in prior years. Because DOE has not yet obligated these funds or has not yet incurred costs, they are carried over into the next fiscal year and called carryover balances.

DOE's overall federal workforce declined from 19,836 workers to 18,608 workers (or over 6 percent), and its contractor workforce declined from 136,192 workers to 109,242 workers (or about 20 percent). About 50 percent of the reductions in the federal workforce occurred at headquarters, while the other 50 percent occurred in DOE's field offices. Even though overall reductions occurred, some programs had increases in spending and in their federal workforce. For example, as the defense nuclear production facilities have been transferred to the Environmental Program, spending has increased—by \$682 million (or about 11 percent) between fiscal years 1994 and 1996. In addition, the Environmental Program's federal workforce increased by 1,149 workers (or 56 percent). However, none of DOE's major programs had increases in their contractor workforce.

Background

The administration and the Congress have encouraged federal agencies to reduce federal and contractor employment and spending and create a government that works better and costs less. The Federal Workforce Restructuring Act of 1994 was enacted to help federal agencies downsize by allowing non-Defense agencies to offer buyouts to employees who agreed to resign or retire by March 31, 1995.⁴ Furthermore, section 3161 of the National Defense Authorization Act for Fiscal Year 1993 was enacted to facilitate the reduction of DOE's contractor workforce, which was necessitated by the end of the Cold War. Specifically, this act authorized DOE to minimize the impact of workforce reductions on contractor employees at defense nuclear facilities. Under this act, DOE has provided enhanced retirement and other benefits to help reduce the workforce.

In May 1995, DOE implemented its Strategic Alignment and Downsizing Initiative, which was designed to reduce its funding by \$1.7 billion over a 5-year period. As we reported in May 1996, DOE's overall spending and federal workforce reductions in fiscal year 1996 were consistent with the reduction goals of the Department's Strategic Alignment and Downsizing Initiative.⁵ DOE met its goal to reduce spending by amending its budget request for fiscal year 1996 to reflect a planned savings of \$208 million. It met its goal to reduce its federal workforce by reducing employment below its year-end target of 12,677 workers. This number excluded over 6,000 workers in the power marketing administrations (PMA) and the

⁴Agency heads were authorized to defer some employees' separation until March 31, 1997. Under separate legislation, Defense agencies can offer buyouts through September 30, 1999.

⁵Energy Downsizing: While DOE Is Achieving Budget Cuts, It Is Too Soon to Gauge Effects (GAO/RCED-96-154, May 13, 1996).

Federal Energy Regulatory Commission (FERC), which DOE had hoped to divest.⁶

The end of the Cold War also significantly affected DOE's missions. DOE's primary mission has changed from producing nuclear weapons to one primarily of managing environmental cleanup at its facilities. This change has caused the closing and reconfiguring of DOE's nuclear defense facilities and the downsizing of their federal workforce and contractor workforce.

Little Change in Spending Despite Funding Reductions

Despite an 11-percent decrease in congressional funding for DOE over the last 2 fiscal years, DOE's spending has decreased by only 2 percent. From fiscal year 1994 to fiscal year 1996, the Congress decreased DOE's annual appropriations by \$2 billion—from \$19.5 billion to \$17.4 billion. However, DOE's expenditures for the same period decreased by only about \$460 million—from \$20.4 billion to \$19.9 billion. DOE has been able to sustain its fiscal year 1994 spending level because it drew from its \$12.9 billion carryover balance of unspent funds from prior years. In response to our identifying and reporting on these carryover balances during the last several years, the Congress has directed that the Department use these balances and request less new funding.⁷ Table 1 shows the specific funding and spending changes.

Table 1: Reductions in Funding and Expenditures, Fiscal Years 1994-96

	Dollars in millions		Fiscal year		Change	
	1994	1996	Amount	Percentage		
Funding (annual appropriations)	\$19,505	\$17,359	\$(2,146)	(11.0)		
Carryover balance from the prior years	12,900	9,600	(3,300)	(25.6)		
Total funds available for spending	32,405	26,959	(5,446)	(16.8)		
Expenditures	\$20,353	\$19,893	\$(460)	(2.3)		

Note: Figures are in nominal dollars.

Source: GAO's analysis of DOE's data.

⁶The goals of the Strategic Alignment and Downsizing Initiative are reported as end-of-year employment figures, while the numbers we used for federal employment were reported as FTEs.

⁷DOE Management: DOE Needs to Improve Its Analysis of Carryover Balances (GAO/RCED-96-57, Apr. 12, 1996).

While Overall Spending Declined, Spending Increased in Some Programs

Although overall spending since fiscal year 1994 has decreased, some program spending has increased. For example, as shown in table 2, the Environmental Management Program's spending increased by \$682 million—from \$6.5 billion to \$7.2 billion. At the same time, spending for Defense Programs decreased by \$1.2 billion, from \$5 billion to \$3.9 billion. This spending shift reflects the increasing focus on environmental cleanup since the end of the Cold War. For example, DOE has been deactivating its defense nuclear production facilities and removing nuclear and nonnuclear hazardous materials. At DOE's Savannah River facility, defense spending decreased about \$779 million, while environmental management spending increased about \$609 million. The increase in environmental spending resulted primarily from DOE's using its carryover balances from prior years rather than new congressional funding.

Another change, occurring within the administrative offices and other program areas within DOE, was the elimination of the Science Education and Technical Information Program (see app. I, table I.2). This program, in which we identified major weaknesses in a prior report,⁸ was not funded in fiscal year 1996, thus saving about \$77 million.

Table 2: Changes in Spending for Major Programs, Fiscal Years 1994-96

Program	Fiscal year		Change	
	1994	1996	Amount	Percentage
Environmental Management	\$6,506	\$7,187	\$682	10.5
Defense	5,049	3,880	(1,169)	(23.1)
Energy Research	2,865	3,029	165	5.8
Nuclear Energy	1,470	1,205	(264)	(18.0)
Fossil Energy	1,170	1,134	(36)	(3.1)
Efficiency and Renewables	861	1,227	367	42.6
PMAs and FERC	656	614	(42)	(6.5)
Administrative and other	646	546	(100)	(15.5)
Nonproliferation and Security	507	527	20	4.0
Civilian Radioactive Waste	406	346	(60)	(14.8)
Environment, Safety and Health	219	197	(22)	(9.9)
Total	\$20,353	\$19,893	\$(460)	(2.3)

Note: Figures are in nominal dollars. Totals do not add due to rounding.

Source: GAO's analysis of DOE's data.

⁸Precallege Math and Science Education: Department of Energy's Precallege Program Managed Ineffectively (GAO/HEHS-94-208, Sept. 13, 1994).

DOE's Federal Workforce Has Decreased

DOE's overall federal workforce has declined. Since fiscal year 1994, DOE's federal workforce has decreased by 1,228 FTEs (or 6 percent). As shown in table 3, DOE made its largest reductions in Defense Programs by eliminating 806 FTEs. While cuts were made in most of DOE's programs, the Environmental Management Program increased by 1,149 FTEs. In large part, this increase resulted from a DOE agreement with the Office of Management and Budget to replace support service contractors with federal employees. As discussed in our earlier reports,⁹ this change was made because it was more economical to have federal workers performing certain tasks, such as processing personnel security information.

Table 3: Changes in the Federal Workforce for Major Programs, Fiscal Years 1994-96

Program	Workforce numbers in FTEs		Fiscal year	Change	
	1994	1996		Amount	Percentage
Environmental Management	2,058	3,207	1,149	55.8	
Defense	2,876	2,070	(806)	(28.0)	
Energy Research	560	466	(94)	(16.8)	
Nuclear Energy	478	408	(70)	(14.6)	
Fossil Energy	1,096	941	(155)	(14.1)	
Efficiency and Renewables	612	630	18	2.9	
PMAs and FERC	6,809	6,114	(695)	(10.2)	
Administrative and other	4,278	3,733	(545)	(12.7)	
Nonproliferation and Security	427	401	(26)	(6.1)	
Civilian Radioactive Waste	223	228	5	2.2	
Environment, Safety and Health	419	410	(9)	(2.1)	
Total	19,836	18,608	(1,228)	(6.2)	

Source: GAO's analysis of DOE's data.

Within this federal workforce reduction, about 50 percent occurred at headquarters, while the other 50 percent occurred in DOE's field offices. Virtually no change occurred in the ratio of headquarters staff to field staff. Headquarters staff accounted for just over 40 percent of DOE's total federal workforce in fiscal year 1994 and accounted for almost 40 percent (a decrease of less than 1 percent) in fiscal year 1996.

⁹Energy Management: Improving Cost-Effectiveness in DOE's Support Services Will Be Difficult (GAO/RCED-93-88, Mar. 5, 1993) and Energy Management: Using DOE's Employees Can Reduce Costs for Some Support Services (GAO/RCED-91-186, Aug. 16, 1991).

Contractor Workforce Has Also Decreased

Since the end of fiscal year 1994, DOE's contractor workforce has been reduced by almost 27,000 workers. The workforce decreased from 136,192 workers to 109,242 workers at the end of fiscal year 1996. As part of the downsizing of DOE's defense mission, the largest decrease—over half of DOE's total reduction—occurred in its Defense Programs, which have been reduced by 14,693 workers. Other decreases that have occurred as part of the overall downsizing include the Energy Research (361 workers), Civilian Radioactive Waste (1,346 workers), and Environmental Management (998 workers) programs. Other miscellaneous and unspecified programs and activities also accounted for a major reduction of 6,974 workers.

DOE's reductions in its contractor workforce did not occur without related costs. As we reported earlier this year, about 24,000 separated contractor workers received an average of \$25,600 in benefits.¹⁰ These benefits often exceeded the value of the benefits the contractors normally would have provided under existing contracts as well as what would have been provided to federal workers in a reduction-in-force.

¹⁰Department of Energy: Value of Benefits Paid to Separated Contractor Workforce Varied Widely (GAO/RCED-97-33, Jan. 23, 1997).

Table 4: Changes in the Contractor Workforce for Major Programs, Fiscal Years 1994-96

Program ^a	Number of contractor workers		Amount	Percentage
	1994	1996		
Environmental Management	43,215	42,217	(998)	(2.3)
Defense	39,946	25,253	(14,693)	(36.8)
Energy Research	13,688	13,327	(361)	(2.6)
Nuclear Energy	8,783	8,225	(558)	(6.4)
Fossil Energy	2,423	1,981	(442)	(18.2)
Efficiency and Renewables	2,350	1,881	(469)	(20.0)
Administrative and other	2,925	1,949	(976)	(33.4)
Nonproliferation and Security ^b	2,543	2,329	(214)	(8.4)
Civilian Radioactive Waste	1,824	478	(1,346)	(73.8)
Environment, Safety and Health ^b	1,066	593	(473)	(44.4)
Other miscellaneous and unspecified programs and activities	9,522	2,548	(6,974)	(73.2)
Work for others	7,907	8,461	554	7.0
Total	136,192	109,242	(26,950)	(19.8)

^aWhile these numbers reflect the contractor workforce tracked by DOE, there are additional workers, such as subcontractors, that are not generally tracked.

^bWhile many of these workers are functionally assigned to these programs, many are funded out of other programs that manage the site at which they work.

Source: GAO's analysis of DOE's data.

Agency Comments

We sent a draft of this report to the Department of Energy for its review and comment. (DOE's comments appear in app. VI.) DOE agreed with the report that cost and workforce reductions have occurred from fiscal years 1994 to 1996. The Department also acknowledged that reductions in costs did not directly track to the reductions in annual congressional funding. DOE noted that it uses "onboard strength" (number of employees) to measure workforce reductions. While we agree that onboard strength is a means to measure workforce reductions, we used FTEs in this report because FTEs are a better measure of the personnel costs associated with performing missions or operating programs.

Scope and Methodology

To identify changes in DOE's spending, funding, and federal and contractor workforces, we started with our prior report that had developed a baseline

on this information for fiscal year 1994. To update the data for fiscal years 1995 and 1996, we obtained cost data from DOE's Financial Information System. Data on the size of the federal workforce, measured in FTEs, were obtained from DOE's Energy Manpower Personnel Resources and Information System. Data on the contractor workforce were obtained from DOE's reports on Contractor Employment Distribution by Programs for the quarters ending September 30 in 1995 and 1996. The data on the contractor workforce that were reported by some contractors represent workforce estimates or allocations rather than the actual number of employees.

We did not verify the accuracy of the financial data or data on the workforces; however, we shared our results with DOE officials to obtain their agreement that the data accurately reflected DOE's actual spending and the size of its workforces. We also reviewed relevant budget documents, prior GAO reports, DOE's Strategic Alignment and Downsizing Initiative, and legislation. We discussed changes in the data with officials representing the Strategic Alignment and Downsizing Initiative project. These officials are in the offices of the Assistant Secretary for Human Resources and Administration, the Associate Deputy Secretary for Field Management, and the Chief Financial Officer. Our review was performed from June 1996 through March 1997 in accordance with generally accepted government auditing standards.

As arranged with your office, unless you publicly announce its contents earlier, we plan no further distribution of this report for 7 days after the date of this report. At that time, we will send copies to the Secretary of Energy and make copies available to others on request.

Please contact me at (202) 512-3841 if you or your staff have any further questions. Major contributors to this report are listed in appendix VII.



Victor S. Rezendes
Director, Energy, Resources, and
Science Issues

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Abbreviations

DOE	Department of Energy
FERC	Federal Energy Regulatory Commission
FTE	full-time equivalent
GAO	General Accounting Office
PMA	power marketing administration

Changes in Major Programs, Administrative Offices, and Other Programs

Table I.1: Costs for Major Programs, Fiscal Years 1994-96

Dollars in thousands

Program	1994	1995	1996	Amount of change between 1994 and 1996	Percentage change between 1994 and 1996
Environmental Management	\$6,505,801	\$6,619,461	\$7,187,405	\$681,604	10.5
Defense	5,048,536	4,617,132	3,879,821	(1,168,715)	(23.1)
Energy Research	2,864,515	3,124,544	3,029,366	164,851	5.8
Nuclear Energy	1,469,680	1,196,213	1,205,370	(264,310)	(18.0)
Fossil Energy	1,169,780	1,093,981	1,133,582	(36,198)	(3.1)
Efficiency and Renewables	860,780	1,025,665	1,227,436	366,656	42.6
Power marketing administrations (PMA) and the Federal Energy Regulatory Commission (FERC) ^a	656,210	583,088	613,772	(42,438)	(6.5)
Administrative and other ^b	646,354	602,853	546,272	(100,082)	(15.5)
Nonproliferation and Security	506,918	502,488	527,401	20,483	4.0
Civilian Radioactive Waste	405,688	508,822	345,681	(60,007)	(14.8)
Environment, Safety and Health	218,969	192,164	197,252	(21,717)	(9.9)
Total	\$20,353,231	\$20,066,411	\$19,893,358	\$(459,873)	(2.3)

Note: Figures are in nominal dollars.

^aThe actual costs of operating the PMAs are greater than shown here. For the purpose of finance, the Bonneville Power Administration operates in a way that is similar to a government corporation with a revolving fund that is separate from DOE's financial system. Furthermore, some costs of operating and maintaining PMAs' facilities are financed through the appropriations of other agencies (e.g., the U.S. Army Corps of Engineers and the Bureau of Reclamation) and some costs are recovered by the PMAs through power revenues.

^bSee table I.2 for activities that make up this category.

Source: GAO's analysis of DOE's data.

Appendix I
Changes in Major Programs, Administrative Offices, and Other Programs

Table I.2: Costs for Administrative Offices and Other Programs, Fiscal Years 1994-96

Dollars in thousands

Office ^a	1994	1995	1996	Amount of change between 1994 and 1996	Percentage change between 1994 and 1996
Congressional, Public and Intergovernmental Affairs ^b	\$6,248	\$6,487	\$5,970	\$(278)	(4.4)
Policy	30,402	28,289	22,091	(8,311)	(27.3)
Chief Financial Officer	20,683	19,808	18,691	(1,992)	(9.6)
Economic Impact and Diversity	7,019	8,037	6,043	(976)	(13.9)
Field Management	33,336	11,133	10,012	(23,324)	(70.0)
General Counsel	18,392	17,676	16,658	(1,734)	(9.4)
Human Resources	183,618	163,197	151,868	(31,750)	(17.3)
Field Office Departmental Administration ^c	109,967	112,442	100,165	(9,802)	(8.9)
Energy Information	83,106	84,134	78,712	(4,394)	(5.3)
Science Education and Technical Information	77,280	69,373	0	(77,280)	(100.0)
Hearings and Appeals	5,893	6,617	4,317	(1,576)	(26.7)
Inspector General	27,743	27,663	28,280	537	1.9
Other	42,667	47,997	103,465	60,798	142.5
Total	\$646,354	\$602,853	\$546,272	\$(100,082)	(15.5)

Note: Figures are in nominal dollars.

^aThese data include both headquarters and field office costs.

^bThis office was created during fiscal year 1996, when DOE merged the Office of Congressional and Intergovernmental Affairs with the Office of Public and Consumer Affairs.

^cThese data include all Departmental Administration costs outside of DOE headquarters.

Source: GAO's analysis of DOE's data.

Appendix I
**Changes in Major Programs, Administrative
 Offices, and Other Programs**

Table I.3: Federal Workforce for Major Programs, Fiscal Years 1994-96

Workforce numbers in full-time equivalents (FTE)

Program	1994	1995	1996	Amount of change between 1994 and 1996	Percentage change between 1994 and 1996
Environmental Management	2,058	2,727	3,207	1,149	55.8
Defense	2,876	2,653	2,070	(806)	(28.0)
Energy Research	560	512	466	(94)	(16.8)
Nuclear Energy	478	432	408	(70)	(14.6)
Fossil Energy	1,096	1,021	941	(155)	(14.1)
Efficiency and Renewables	612	677	630	18	2.9
PMAs and FERC	6,809	6,408	6,114	(695)	(10.2)
Administrative and Other ^a	4,278	4,137	3,733	(545)	(12.7)
Nonproliferation and Security	427	406	401	(26)	(6.1)
Civilian Radioactive Waste	223	233	228	5	2.2
Environment, Safety and Health	419	452	410	(9)	(2.1)
Total	19,836	19,658	18,608	(1,228)	(6.2)

^aSee table I.4 for activities that make up this category.

Source: GAO's analysis of DOE's data.

Appendix I
**Changes in Major Programs, Administrative
 Offices, and Other Programs**

Table I.4: Federal Workforce for Administrative Offices and Other Programs, Fiscal Years 1994-96

Workforce numbers in FTEs

Office ^a	1994	1995	1996	Amount of change between 1994 and 1996	Percentage change between 1994 and 1996
Congressional, Public and Intergovernmental Affairs ^b	124	120	105	(19)	(15.3)
Policy	205	214	187	(18)	(8.8)
Chief Financial Officer	292	280	259	(33)	(11.3)
Economic Impact and Diversity	58	51	50	(8)	(13.8)
Field Management	86	89	68	(18)	(20.9)
General Counsel	213	213	197	(16)	(7.5)
Human Resources	1,006	904	797	(209)	(20.8)
Field Office Departmental Administration ^c	1,156	1,121	1,005	(151)	(13.1)
Energy Information	462	473	448	(14)	(3.0)
Science Education and Technical Information ^d	190	176	143	(47)	(24.7)
Hearings and Appeals	88	80	65	(23)	(26.1)
Inspector General	358	339	324	(34)	(9.5)
Other	40	77	85	45	112.5
Total	4,278	4,137	3,733	(545)	(12.7)

^aThese data include both headquarters and field offices.

^bDuring fiscal year 1996, the Office of Congressional and Intergovernmental Affairs was merged with the Office of Public and Consumer Affairs to form this office.

^cThese data include all Departmental Administration employees outside of DOE headquarters.

^dThis program was terminated during fiscal year 1996. The FTEs shown for fiscal year 1996 represent those charged to the program before it was abolished.

Source: GAO's analysis of DOE's data.

Appendix I
**Changes in Major Programs, Administrative
 Offices, and Other Programs**

Table I.5: Contractor Workforce for Major Programs, Fiscal Years 1994-96

Number of contractor workers

Program	1994	1995	1996	Amount of change between 1994 and 1996	Percentage change between 1994 and 1996
Environmental Management	43,215	38,654	42,217	(998)	(2.3)
Defense	39,946	33,433	25,253	(14,693)	(36.8)
Energy Research	13,688	13,958	13,327	(361)	(2.6)
Nuclear Energy	8,783	8,529	8,225	(558)	(6.4)
Fossil Energy	2,423	2,161	1,981	(442)	(18.2)
Efficiency and Renewables	2,350	2,722	1,881	(469)	(20.0)
Administrative and other ^{a,b}	2,925	4,368	1,949	(976)	(33.4)
Nonproliferation and Security ^b	2,543	1,936	2,329	(214)	(8.4)
Civilian Radioactive Waste	1,824	1,362	478	(1,346)	(73.8)
Environment, Safety and Health ^b	1,066	591	593	(473)	(44.4)
Other miscellaneous and unspecified programs and activities ^c	9,522	2,666	2,548	(6,974)	(73.2)
Work for others	7,907	7,874	8,461	554	7.0
Total	136,192	118,254	109,242	(26,950)	(19.8)

^aSee table I.6 for activities that make up this category.

^bThese contractor workers represent a functional allocation of staff performing work in these types of administrative activities, and for the most part, they are paid for by other DOE program offices.

^cDOE's contractor workforce report does not provide a specific break down by program activity for this category.

Source: GAO's analysis of DOE's data.

Appendix I
Changes in Major Programs, Administrative
Offices, and Other Programs

Table I.6: Contractor Workforce for Administrative Offices and Other Programs, Fiscal Years 1994-96

Number of contractor workers

Office ^a	1994	1995	1996	Amount of change between 1994 and 1996	Percentage change between 1994 and 1996
Chief Financial Officer	2,255	3,469	1,351	(904)	(40.1)
Human Resources	445	660	396	(49)	(11.0)
Policy	62	132	109	47	75.8
Economic Impact and Diversity	0	14	3	3	100.0
Energy Information	102	5	1	(101)	(99.0)
Science Education and Technical Information	61	88	89	28	45.9
Total	2,925	4,368	1,949	(976)	(33.4)

^aThese contractor workers are located in the field and represent a functional allocation of staff performing work in these types of administrative activities. For the most part, these workers are paid for by other DOE program offices.

Source: GAO's analysis of DOE's data.

Changes in Operations Offices

Table II.1: Costs for Operations Offices, Fiscal Years 1994-96

Dollars in thousands

Office	1994	1995	1996	Amount of change between 1994 and 1996	Percentage change between 1994 and 1996
Albuquerque	\$4,293,202	\$3,356,191	\$3,608,801	\$(-684,401)	(15.9)
Chicago	2,373,299	2,571,947	2,517,034	143,735	6.1
Idaho	917,143	818,778	707,800	(209,343)	(22.8)
Nevada	636,837	499,074	447,469	(189,368)	(29.7)
Oak Ridge	3,087,676	2,608,114	2,201,028	(886,648)	(28.7)
Oakland	1,506,159	1,544,792	1,700,366	194,207	12.9
Richland	1,868,675	1,835,964	1,710,297	(158,378)	(8.5)
Savannah River	1,784,455	1,732,122	1,638,407	(146,048)	(8.2)
Total	\$16,467,446	\$14,966,982	\$14,531,202	\$(-1,936,244)	(11.8)

Note: Figures are in nominal dollars.

Source: GAO's analysis of DOE's data.

Table II.2: Federal Workforce for Operations Offices, Fiscal Years 1994-96

Workforce numbers in FTEs

Office	1994	1995	1996	Amount of Change between 1994 and 1996	Percentage change between 1994 and 1996
Albuquerque	1,573	1,532	1,482	(91)	(5.8)
Chicago	570	577	520	(50)	(8.8)
Idaho	462	451	425	(37)	(8.0)
Nevada	389	389	375	(14)	(3.6)
Oak Ridge	862	727	682	(180)	(20.9)
Oakland	400	429	411	11	2.8
Richland	441	544	536	95	21.5
Savannah River	543	571	573	30	5.5
Total	5,240	5,220	5,004	(236)	(4.5)

Source: GAO's analysis of DOE's data.

Changes in Site Offices and Facilities

Table III.1: Costs for Site Offices and Facilities, Fiscal Years 1994-96

Dollars in thousands

Office/ facility	1994	1995	1996	Amount of change between 1994 and 1996	Percentage change between 1994 and 1996
Hanford Site ^a	\$1,664,021	\$1,492,133	\$1,395,950	\$(268,071)	(16.1)
Savannah River ^b	1,669,471	1,600,932	1,496,304	(173,167)	(10.4)
Oak Ridge ^c	1,575,422	1,346,382	1,270,807	(304,615)	(19.3)
Grand Junction	56,570	58,203	65,736	9,166	16.2
Kansas City	344,218	296,299	333,723	(10,495)	(3.0)
Mound Plant	162,493	134,273	116,395	(46,098)	(28.4)
Nevada Test Site ^d	210,241	184,172	155,159	(55,082)	(26.2)
Uranium Enrichment, including Paducah and Portsmouth	342,450	438,911	433,997	91,547	26.7
Pantex Plant	266,203	282,051	290,555	24,352	9.1
Pinellas Plant	103,050	90,527	63,590	(39,460)	(38.3)
Waste Isolation Pilot Plant	84,260	81,819	83,505	(755)	(0.9)
Total	\$6,478,399	\$6,005,702	\$5,705,721	\$(772,678)	(11.9)

Note: Figures are in nominal dollars.

^aThese costs are for the entire site and include the Pacific Northwest Laboratory. The laboratory costs are shown separately in table V.1.

^bThese costs include the Savannah River Plant, the Savannah River Technology Center, and the Savannah River Ecology Laboratory. The laboratory costs are shown separately in table V.1.

^cThese costs include the Oak Ridge National Laboratory, the Oak Ridge Gaseous Diffusion Plant, the Y-12 Plant, and the Oak Ridge Institute for Science and Education. The Institute and the Oak Ridge National Laboratory are shown separately in table V.1.

^dThese costs exclude those attributable to the Yucca Mountain Site Characterization Project. See table IV.1 for those costs.

Source: GAO's analysis of DOE's data.

Appendix III
Changes in Site Offices and Facilities

Table III.2: Federal Workforce for Site Offices and Facilities, Fiscal Years 1994-96

Workforce numbers in FTEs

Office/facility	1994	1995	1996	Amount of change between 1994 and 1996	Percentage change between 1994 and 1996
Grand Junction	14	21	22	8	57.1
Kansas City	87	85	69	(18)	(20.7)
Mound Plant	49	128	131	82	167.3
Nevada Test Site ^a	168	153	150	(18)	(10.7)
Paducah/Portsmouth	66	26	25	(41)	(62.1)
Pantex	76	82	88	12	15.8
Pinellas	29	27	28	(1)	(3.4)
Waste Isolation Pilot Plant	52	58	57	5	9.6
Total	541	580	570	29	5.4

^aThese FTEs exclude those attributable to the Yucca Mountain Site Characterization Project. See table IV.2 for those FTEs.

Source: GAO's analysis of DOE's data.

Appendix III
Changes in Site Offices and Facilities

Table III.3: Contractor Workforce for Site Offices and Facilities, Fiscal Years 1994-96

Office/facility	1994	1995	1996	Amount of	Percentage
				change between 1994 and 1996	change between 1994 and 1996
Hanford ^a	16,741	13,186	12,636	(4,105)	(24.5)
Savannah River ^b	19,028	15,625	14,581	(4,447)	(23.4)
Oak Ridge ^c	17,462	16,224	14,734	(2,728)	(15.6)
Grand Junction	970	676	616	(354)	(36.5)
Kansas City	3,289	3,563	3,696	407	12.4
Mound Plant	1,337	1,127	997	(340)	(25.4)
Nevada Test Site ^d	4,592	3,929	2,777	(1,815)	(39.5)
Pantex	2,853	2,985	2,984	131	4.6
Pinellas	999	658	552	(447)	(44.7)
Waste Isolation Pilot Plant	735	637	628	(107)	(14.6)
Total	68,006	58,610	54,201	(13,805)	(20.3)

^aThese workforce data are for the entire site and include the Pacific Northwest Laboratory. The laboratory data are shown separately in table V.2.

^bThese workforce data include the Savannah River Plant, the Savannah River Technology Center, and the Savannah River Ecology Laboratory. The laboratory data are shown separately in table V.2.

^cThese workforce data include the Oak Ridge National Laboratory, the Oak Ridge, Paducah and Portsmouth Gaseous Diffusion Plants, the Y-12 Plant, and the Oak Ridge Institute for Science and Education. The Institute and the Oak Ridge National Laboratory are shown separately in table V.2.

^dThese workforce data exclude those attributable to the Yucca Mountain Site Characterization Project. See table IV.3 for that data.

Source: GAO's analysis of DOE's data.

Changes in Special Purpose Offices and Projects

Table IV.1: Costs for Special Purpose Offices and Projects, Fiscal Years 1994-96

Dollars in thousands

Office/project	1994	1995	1996	Amount of change between 1994 and 1996	Percentage change between 1994 and 1996
Bartlesville Project Office	\$14,186	\$21,480	\$24,487	\$10,301	72.6
Fernald Environmental Management Project	295,351	291,278	248,908	(46,443)	(15.7)
Morgantown Energy Technology Center	361,122	422,507	479,513	118,391	32.8
Naval Petroleum and Oil Shale Reserves	17,607	24,996	17,759	152	0.9
Naval Petroleum Reserves-California	252,813	169,560	144,830	(107,983)	(42.7)
Pittsburgh Energy Technology Center	221,408	218,250	303,249	81,841	37.0
Pittsburgh Naval Reactors ^a	329,944	359,732	379,203	49,259	14.9
Rocky Flats	719,274	661,733	543,204	(176,070)	(24.5)
Schenectady Naval Reactors ^b	312,040	298,965	294,975	(17,065)	(5.5)
Strategic Petroleum Reserve	191,091	220,189	211,626	20,535	10.7
West Valley Demonstration Project	131,387	139,922	111,741	(19,646)	(15.0)
Yucca Mountain Site Characterization Project	279,713	371,251	249,294	(30,419)	(10.9)
Total	\$3,125,936	\$3,199,863	\$3,008,789	\$(117,147)	(3.7)

Note: Figures are in nominal dollars.

Source: GAO's analysis of DOE's data.

Appendix IV
Changes in Special Purpose Offices and
Projects

Table IV. 2: Federal Workforce for Special Purpose Offices and Projects, Fiscal Years 1994-96

Workforce numbers in FTEs

Office/project	1994	1995	1996	Amount of change between 1994 and 1996	Percentage change between 1994 and 1996
Bartlesville Project Office	24	27	24	0	0
Fernald Environmental Management Project	67	62	62	(5)	(7.5)
Morgantown Energy Technology Center	331	317	293	(38)	(11.5)
Naval Petroleum and Oil Shale Reserves	14	14	13	(1)	(7.1)
Naval Petroleum Reserves-California	52	49	45	(7)	(13.5)
Pittsburgh Energy Technology Center	318	298	269	(49)	(15.4)
Pittsburgh Naval Reactors	79	77	73	(6)	(7.6)
Rocky Flats	221	280	299	78	35.3
Schenectady Naval Reactors	68	66	63	(5)	(7.4)
Strategic Petroleum Reserve Office	126	120	116	(10)	(7.9)
West Valley Demonstration Project	20	25	25	5	25.0
Yucca Mountain Site Characterization Project	41	100	98	57	139.0
Total	1,361	1,435	1,380	19	1.4

Source: GAO's analysis of DOE's data.

Appendix IV
Changes in Special Purpose Offices and
Projects

Table IV.3: Contractor Workforce for Special Purpose Offices and Projects, Fiscal Years 1994-96

Number of contractor workers

Office/project	1994	1995	1996	Amount of change between 1994 and 1996	Percentage change between 1994 and 1996
Bartlesville Project Office	215	233	196	(19)	(8.8)
Fernald Environmental Management Project	2,335	2,208	1,995	(340)	(14.6)
Naval Petroleum and Oil Shale Reserves	127	127	112	(15)	(11.8)
Naval Petroleum Reserves-California	733	525	511	(222)	(30.3)
Pittsburgh Energy Technology Center	236	258	158	(78)	(33.1)
Pittsburgh Naval Reactors	788	724	649	(139)	(17.6)
Rocky Flats	6,741	4,460	3,535	(3,206)	(47.6)
Schenectady Naval Reactors	2,972	2,970	2,774	(198)	(6.7)
Strategic Petroleum Reserve Office	954	930	901	(53)	(5.6)
West Valley Demonstration Project	970	957	912	(58)	(6.0)
Yucca Mountain Site Characterization Project	567	644	444	(123)	(21.7)
Total	16,638	14,036	12,187	(4,451)	(26.8)

Source: GAO's analysis of DOE's data.

Changes in Laboratories

Table V.1: Costs for Laboratories, Fiscal Years 1994-96

Dollars in thousands

Laboratory	1994	1995	1996	Amount of change between 1994 and 1996	Percentage change between 1994 and 1996
Ames Laboratory	\$35,499	\$32,640	\$28,952	\$(6,547)	(18.4)
Argonne National Laboratory "East" and "West"	546,105	530,239	473,317	(72,788)	(13.3)
Bettis Atomic Power Laboratory	323,369	352,081	373,672	50,303	15.6
Brookhaven National Laboratory	361,946	393,840	400,992	39,046	10.8
Energy Technology Engineering Center	32,807	21,675	14,740	(18,067)	(55.1)
Fermi National Accelerator Laboratory	237,912	256,675	271,916	34,004	14.3
Idaho National Engineering Laboratory ^a	681,245	685,887	571,539	(109,706)	(16.1)
Inhalation Toxicology Research Institute	13,465	15,073	13,516	51	0.4
Knolls Atomic Power Laboratory	306,140	293,699	. 289,549	(16,591)	(5.4)
Laboratory of Radiobiology and Environmental Health	2,861	2,587	1,483	(1,378)	(48.2)
Lawrence Berkeley Laboratory	214,060	237,411	290,191	76,131	35.6
Lawrence Livermore National Laboratory	724,766	687,679	737,614	12,848	1.8
Los Alamos National Laboratory	968,082	983,762	942,606	(25,476)	(2.6)
National Renewable Energy Laboratory	203,686	217,401	204,748	1,062	0.5
Oak Ridge Institute for Science and Education	41,801	36,556	30,800	(11,001)	(26.3)
Oak Ridge National Laboratory	338,847	326,314	422,999	84,152	24.8
Pacific Northwest Laboratory	378,289	409,830	374,803	(3,486)	(0.9)
Princeton Plasma Physics Laboratory	107,657	132,727	65,095	(42,562)	(39.5)
Sandia National Laboratory	1,076,392	1,083,579	1,053,855	(22,537)	(2.1)
Savannah River Ecology Laboratory	11,757	11,489	8,594	(3,163)	(26.9)
Stanford Linear Accelerator Center	158,944	185,477	195,373	36,429	22.9
Thomas Jefferson National Accelerator Facility ^b	75,359	77,470	70,691	(4,668)	(6.2)
Total	\$6,840,989	\$6,974,091	\$6,837,045	\$(3,944)	(0.1)

(Table notes on next page)

Appendix V
Changes in Laboratories

Note: Figures are in nominal dollars.

^aThese costs include Idaho National Engineering Laboratory and all other reporting facilities except Argonne National Laboratory-West and the Pittsburgh Naval Reactors. The reactors' costs are shown in table IV.1.

^bPrior to 1996, this facility was known as the Continuous Electron Beam Accelerator Facility.

Source: GAO's analysis of DOE's data.

Appendix V
Changes in Laboratories

Table V.2: Contractor Workforce for Laboratories, Fiscal Years 1994-96

Number of contractor workers

Laboratory	1994	1995	1996	Amount of change between 1994 and 1996	Percentage change between 1994 and 1996
Ames Laboratory	538	551	500	(38)	(7.1)
Argonne National Laboratory "East" and "West"	4,502	4,202	3,998	(504)	(11.2)
Bettis Atomic Power Laboratory	2,462	2,426	2,374	(88)	(3.6)
Brookhaven National Laboratory	3,083	3,321	3,142	59	1.9
Energy Technology Engineering Center	151	151	102	(49)	(32.5)
Fermi National Accelerator Laboratory	2,168	2,133	2,093	(75)	(3.5)
Idaho National Engineering Laboratory	7,416	5,842	5,512	(1,904)	(25.7)
Inhalation Toxicology Research Institute	168	157	146	(22)	(13.1)
Knolls Atomic Power Laboratory	2,927	2,933	2,753	(174)	(5.9)
Lawrence Berkeley Laboratory	2,410	2,240	2,423	13	0.5
Lawrence Livermore National Laboratory	6,009	5,680	5,385	(624)	(10.4)
Los Alamos National Laboratory	7,024	7,145	6,763	(261)	(3.7)
National Renewable Energy Laboratory	913	877	629	(284)	(31.1)
Oak Ridge Institute for Science and Education	644	552	477	(167)	(25.9)
Oak Ridge National Laboratory	6,033	4,330	4,352	(1,681)	(27.9)
Pacific Northwest Laboratory	4,383	3,169	3,039	(1,344)	(30.7)
Princeton Plasma Physics Laboratory	729	559	510	(219)	(30.0)
Sandia National Laboratory	8,458	8,432	8,169	(289)	(3.4)
Savannah River Ecology Laboratory	201	195	202	1	0.5
Stanford Linear Accelerator Center	1,292	1,245	1,221	(71)	(5.5)
Thomas Jefferson National Accelerator Facility ^a	474	524	493	19	4.0
Total	61,985	56,664	54,283	(7,702)	(12.4)

^aPrior to fiscal year 1996, this facility was known as the Continuous Electron Beam Accelerator Facility.

Source: GAO's analysis of DOE's data.

Comments From the Department of Energy



Department of Energy

Washington, DC 20585

April 2, 1997

Mr. Allen Li
Associate Director
Energy, Resources, and Science Issues
U.S. General Accounting Office
Washington, D.C. 20548

Dear Mr. Li:

The Department of Energy (DOE) appreciates the opportunity to review and comment on the General Accounting Office (GAO) draft report entitled Department of Energy: Funding and Workforce Reduced but Spending Remains Stable (GAO/RCED-97-96).

The Department agrees with the key observation that overall funding, costs, and workforce reductions occurred from Fiscal Years 1994 to 1996. As reflected in the draft report, annual costs were reduced during this period by over \$450 million and DOE achieved a combined Federal and contractor workforce reduction (in FTE) of over 18 percent.

The Department acknowledges that the reduction in costs, although significant, does not directly track to the reduction in annual Congressional appropriations during the period of the report. The Department did not expect costs to equal the reduction in appropriations. As pointed out in the draft report one of the reasons for this is the action taken by DOE to reduce the amount of carryover balances by accelerating the execution of programs previously approved by Congress. With respect to workforce reductions, DOE uses onboard strength as the primary and more accurate measure.

The Department is committed to accomplishing its critical national missions at less cost to the American taxpayer. DOE currently projects to achieve a cumulative savings of over \$10.4 Billion between FY 1996 and FY 2000 as a result of the Strategic Alignment, Contract Reform, and other management improvement initiatives. The data reflected in the draft report are consistent with the annual savings goals DOE has established and we are confident that future status reports will validate these savings.

Sincerely,

Archer L. Durham
Assistant Secretary for
Human Resources and Administration

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